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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
DAIRY BRANCH

INSERTS
for
SUMMARIES
of
FLUID MILK MARKETING ORDERS

Revised to June 1, 1949

and

Federal Register Citations
for the Milk Price Orders

The attached are inserts to be substituted for the corresponding pages in the Summaries of Fluid Milk Marketing Orders, April 1, 1948, and Federal Register Citations for the Milk Price Orders. These inserts revise the Federal orders as effective on June 1, 1949. The last insert was issued on May 1, 1949.

M. & R. Dietetic Laboratories, Inc.,	Chillicothe, Ohio
Carnation Milk Company,	Hillsboro, Ohio
Nestle's Milk Products, Inc.	Greenville, Ohio
Nestle's Milk Products, Inc.	
(Osgood Milk Co.)	Osgood, Indiana
Carnation Milk Company,	Maysville, Kentucky

- (2) Average price per pound of Chicago 92-score butter, times 4, times 1.2, plus 3.5 cents for each half-cent that the average price per pound of nonfat dry milk solids is above 5.5 cents (carlot, human consumption, spray and roller process, f.o.b. manufacturing plants in Chicago area).

Butter and Cheese Price - For milk used as butter (except butter from storage cream) and Cheddar cheese during any month when receipts of milk from producers are more than 140 per cent of Class I and Class II sales use: 92-score butter at Chicago, minus 4 cents and multiply the result by 4.8,

PLUS

Average price of nonfat dry milk solids (carlot, human consumption, spray and roller process, f.o.b. manufacturing plants in Chicago area) minus 8.6 cents and multiply the result by 8.5.

Butterfat Differentials:

Class Prices - For each one-tenth of one per cent variation from 4.0 per cent butterfat, the differential to handlers is computed as follows: Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

Producer Price - For each one-tenth of one per cent variation in the average test of a producer's milk from 3.5 per cent butterfat, the differential is as follows: 5 cents when the price per pound of Chicago 92-score butter is more than 40 cents, but not more than 50 cents, plus or minus 1 cent for each 10-cent range in the butter price above or below the 40-50 cent range.

Location Differentials:

None.

Method of Accounting for Milk:

Class I computed on a volume basis plus the 3.5 per cent milk equivalent of unaccounted-for butterfat. Class II and Class III computed by converting butterfat used in these classes to 3.5 per cent milk equivalent. Class volumes are reconciled with producer receipts by adding to or subtracting from Class III.

Type of Pool:

Market-wide monthly pool without base rating plan or new producer clause.

Interhandler Transfers:

Milk or skim milk disposed of by a handler to another handler is Class I, and cream so disposed of is Class II. Handlers are permitted to classify differently by submitting statement signed by both buyer and seller to the market administrator.

Outside Purchases:

"Emergency milk" (milk or skim milk received by a handler from sources other than producers under a permit from health authorities) is subtracted on a pro rata basis from each class.

Other outside milk is deducted from the class in which it is used but the handler must pay the difference between the value as used and the Class III price.

Outside Sales:

Milk or skim milk disposed of by a handler to a nonhandler who distributes milk or manufactures milk products is considered Class I, and cream so disposed of is considered Class II. Handler is permitted to classify differently by submitting statement signed by both buyer and seller, subject to verification by the market administrator.

Milk sold outside the marketing area is priced the same as milk sold in the marketing area.

Producer-handlers:

Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.

Expense of Administration:

Handlers pay administrative costs not to exceed 2 cents per hundredweight.

Special Producer Provisions:

Deductions, as authorized by members are turned over to the cooperative associations. A market service charge not to exceed 4 cents is deducted for non-members. Classified cooperative associations receive payments out of pool at the rate of .5 cent for bargaining associations and at the rate of 3 cents for plant operating associations.

- (3) Disposed of as bulk skim milk to manufacturers of candy, soup, or bakery products who do not dispose of milk in fluid form; and
- (4) Plant shrinkage not over 2 per cent of producer milk and actual plant shrinkage of other source milk.

Class Prices (3.5 per cent butterfat):

A basic formula price is used for Class I, Class II, and Class III prices. The basic formula is the highest of:

- (1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for basic formula price in Chicago order).
- (2) 92-score butter at Chicago, multiplied by 6,
PLUS
2.4 times the average price per pound of "Twins" at Plymouth, Wisconsin (or "Cheddars"), divided by 7, times 1.3, times 3.5.
- (3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 3.5, plus an amount computed as follows:
Price per pound of nonfat dry milk solids (spray and roller process, human consumption, carlots, f.o.b. Chicago area plants), minus 5.5 cents, times 8.5, times .965.

Class I - Basic formula price plus the following amounts for the delivery period indicated:

<u>Delivery period</u>	<u>Huntington District plants</u>	<u>Other plants</u>
May and June	\$1.10	\$0.90
March, April, July, and August	1.20	1.00
September through February	1.35	1.15

If, during the 12 month period preceding September, the quantity of producer milk classified as Class III is less than 12 per cent of milk received from producers at either Huntington District plants or at all fluid milk plants, the price of Class I milk is increased 25 cents per hundredweight during the following October, November, December, and January. If, during the 12 month period preceding March of any year the quantity of producer milk classified as Class III is more than 18 per cent of total receipts from producers at either Huntington District plants or at all fluid milk plants, the Class I price during the following April, May, June, and July is decreased 25 cents per hundredweight.

The price for Class I milk during the months of October through January is not lower than the price for the preceding September and the Class I price for April through July is not higher than the price for the preceding March.

Huntington District is portion of marketing area within cities of Ashland, Kentucky; Huntington, West Virginia; and Ironton and Gallipolis, Ohio.

Class II - Basic formula price plus the following amounts for the delivery period indicated:

<u>Delivery period</u>	<u>Huntington District plants</u>	<u>Other plants</u>
May and June	\$0.80	\$0.60
March, April, July, and August	.90	.70
September through February	1.05	.85

The Class II price is adjusted by 25 cents per hundredweight at the same time and under the same conditions as the Class I price (see Class I price).

The price for Class II milk during the months of October through January is not lower than the price for the preceding September and the Class II price for April through July is not higher than the price for the preceding March.

Class III - Basic formula price.

Butterfat Differentials:

Class I - Price per pound of Chicago 92-score butter, times 1.2, divided by 10, plus one cent.

Class II - Class I differential minus one-half cent.

Class III - Class I differential minus one cent.

Producer Price - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

Location Differentials:

None.

Method of Accounting for Milk:

Weight of skim milk and butterfat computed separately as used in each class.

Type of Pool:

Market-wide, monthly pool, without base rating plan or new producer clause.

Class Prices (3.5 per cent butterfat):

A basic formula price is used for the Class I price. The basic formula price is the highest of:

- (1) Price per pound of New York 93-score butter, times 3.5, times 1.2, plus an amount computed as follows: Price per pound of nonfat dry milk solids (spray and roller process, human consumption, carlot, f.o.b. Chicago area manufacturing plants), times 7.7, minus 42 cents.
- (2) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for basic formula price in Chicago order).
- (3) Price per pound of New York 93-score butter, times 6, plus 2.4 times the price of "Twins" at Plymouth, Wisconsin (Cheddars), divided by 7, times 1.3, times 3.5.

Class I - January through June - basic formula price plus 50 cents.

July and December - basic formula price plus 70 cents.

August through November - basic formula price plus \$1.00.

Class II - The Class II price is computed in accordance with formula (1) used in the basic formula price.

Butterfat Differentials:

Class I Price - Price per pound of New York 93-score butter, times 1.25, divided by 10.

Class II Price - Price per pound of New York 93-score butter, times 1.2, divided by 10.

Producer Price - Price per pound of New York 93-score butter, times 1.2, divided by 10.

Location Differentials:

Class Prices - A location differential applies to Class I milk in the amount of one cent per hundredweight for each mile that a handler's plant is more than 15 miles from the Minnesota Transfer Viaduct over University Avenue in St. Paul.

Producer Price - Same as Class I price differential.

DULUTH-SUPERIOR - ORDER NO. 54

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
8 FR 9903	7/20/43	Order, as amended
11 FR 6527	6/14/46	Order suspending certain prov.
11 FR 12434	10/24/46	Amendment No. 4
14 FR 2133	4/30/49	Amendment No. 5

PHILADELPHIA - ORDER NO. 61

7 FR 2377	3/28/42	Order
8 FR 1431	2/3/43	Amendment No. 1
8 FR 4749	4/13/43	Amendment No. 2
9 FR 7493	7/5/44	Order suspending certain provisions
10 FR 11041	8/29/45	Amendment No. 3
11 FR 5902	6/1/46	Amendment No. 4
11 FR 7260	6/29/46	Order suspending certain provisions
11 FR 10257	9/14/46	Amendment No. 5
12 FR 93	1/7/47	Order suspending certain provisions
13 FR 4343	7/29/48	Amendment No. 6
13 FR 9294	12/31/48	Amendment No. 7
14 FR 1845	4/16/49	Amendment No. 8

CINCINNATI - ORDER NO. 65

9 FR 825	1/22/44	Order, as amended
9 FR 9880	8/15/44	Amendment No. 1
10 FR 7607	6/26/45	Amendment No. 2
11 FR 7331	7/2/46	Amendment No. 3
11 FR 9670	9/4/46	Amendment No. 4
11 FR 14011	12/3/46	Amendment No. 5
12 FR 4931	7/25/47	Amendment No. 6
13 FR 1659	3/31/48	Order suspending certain provisions
13 FR 2329	4/30/48	Amendment No. 7
13 FR 7294	11/30/48	Amendment No. 8
14 FR 2783	5/27/49	Amendment No. 9

TRI-STATE - ORDER NO. 72

<u>Citation</u>	<u>Date Published</u>	<u>Action</u>
11 FR 12926	11/1/46	Order, as amended
11 FR 13622	11/21/46	Order suspending certain provisions
12 FR 4243	7/1/47	Amendment No. 1
13 FR 1662	3/31/48	Order suspending certain provisions
13 FR 2330	4/30/48	Amendment No. 2
13 FR 7295	11/30/48	Amendment No. 3
14 FR 2783	5/27/49	Amendment No. 4

MINNEAPOLIS-ST. PAUL - ORDER NO. 73

10 FR 13431	10/30/45	Order
11 FR 5992	6/4/46	Order suspending certain provisions
13 FR 8597	12/29/48	Amendment No. 1

COLUMBUS - ORDER NO. 74

11 FR 1081	1/30/46	Order, as amended
11 FR 9424	8/28/46	Amendment No. 1
12 FR 4245	7/1/47	Amendment No. 2
13 FR 1662	3/31/48	Order suspending certain provisions
13 FR 2331	4/30/48	Amendment No. 3
13 FR 2790	5/25/48	Order suspending certain provisions
13 FR 5021	8/28/48	Amendment No. 4
13 FR 9295	12/31/48	Amendment No. 5

CLEVELAND - ORDER NO. 75

12 FR 5840	8/30/47	Order, as amended
13 FR 2332	4/30/48	Amendment No. 1
13 FR 5653	9/30/48	Amendment No. 2
13 FR 9492	12/31/48	Amendment No. 3

